



Financial results

2021 second quarter

Medellín, Colombia, August 12, 2021

ISA's concluded the first half of the year very favorably: EBITDA margin reached 65,6%, net income increased by 17,8% with respect to 2020, and ROE was 16%.

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Message from our CEO

The results for the second quarter of 2021 confirm ISA Group's resilience. The Company has ensured continuous and permanent operations, keeping us on track towards profitability and sustainable value creation through work that contributes to economic revitalization, ensuring that not a single job was lost due to COVID-19. This positive trend in results has been maintained in 2021, as we will see in this report.

All this was the result of our world-class human talent group and a well-designed strategy, both which are a product of a corporate governance body that we have been striving towards over the past few years. This body has demonstrated to the Management team and the Board of Directors that it is completely independent and free from political influence when it comes to making strategic decisions for the Group.

We also confirm our total commitment to sustainability and respect to the environment and to all our stakeholders. One of the initiatives that we wish to highlight is our work with indigenous communities. Through the *Conexión Jaguar* program, we joined the Arhuacos and the Koguis of Sierra Nevada de Santa Marta to develop conservation projects in their territory. Likewise, we recently completed an ambitious project that will bring potable water to the Wayúus located in the Department of La Guajira in Colombia.

Also, regarding sustainability, we are really proud to announce that, for the fourth year in a row, the Company has been included in the FTSE4Good index, which rates the performance of companies according to Environmental, Social and Governance (ESG) criteria. Being included in the FTSE4Good Index ratifies consistency with the *ISA2030 Strategy, inspired in the creation of sustainable value*.

After nearly a year and a half into the pandemic, we remain committed to the economic revitalization of the countries in which we operate, as we know that directly addressing the consequences of this pandemic is a priority for our future and the future of everyone.

Consolidated Financial Results

ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) ("ISA" or "the Company"), a multi-Latin company engaged in the Electric Power, Road Concessions, and Telecommunications business units, announced its financial results for the second quarter of 2021:

When comparing financial results for the **second quarter of 2021** with the same period of 2020, the following is important to highlight:

- Operating revenues for the quarter totaled COP 2,8 trillion, growing by 6,0%.
- EBITDA was COP 1,9 trillion, increasing by 3,2%. EBITDA margin was 67,2% and 79,6%, excluding construction.
- ISA's net income reached COP 585.892 million, an increase of 6,4%. Net margin closed at 20,6%% and ROE as of June reached 16%.
- Assets reached COP 62,6 trillion at the end of the first half, an increase of 15,9% compared with the previous year. Investments for this period totaled COP 770.664 million.
- Consolidated financial debt was COP 26,4 trillion, 16,1% higher than in 2020. Debt/EBITDA and Net Debt/EBITDA indicators closed at 3,8x and 3,0x, respectively, complying with levels required to maintain the current credit rating.

The accumulated figure **as of June 2021**, compared with the first half of the previous year is per the following:

- Operating revenues grew by 4,9%, ahead of the AOM expense growth of 4,5%.
- Operating revenues reached COP 5,2 trillion, an increase of 9,6%.
- EBITDA was COP 3,4 trillion, an increase of 7,8%. EBITDA margin was 65,6% and 77,6%, excluding construction.
- Net income reached COP 1,1 trillion, 17,8% higher than in 2020. Net margin reached 21%.

Consolidated Financial Results

Second Quarter 2021

In Colombian pesos

During the second quarter of 2021, the following events explain the main variations with respect to the same period of the previous year:

- In April 2021, the Brazilian Electricity Regulatory Agency (ANEEL) approved the recognition of the cost of capital (ke) over the ke, as well as the reprofiling of the financial component of the RBSE, the latter to offset the increase in electric power tariffs for the 2021/2022 and 2022/2023 cycles, while preserving the economic value for ISA CTEEP. The reprofiling establishes a reduction in payments for the 2021/2022 and 2022/2023 cycles, and an increase beginning in the 2023/2024 cycle, a period in which the payment flows established by ANEEL shall return to levels similar to those approved in Resolution of Ratification 2.714/2020, extending the quotas until the end of the year for the 2027/2028 cycle. The positive impact of the recognition of the ke over the ke during the second quarter reached COP 303.885 million on operating revenues and EBITDA, and COP 71.839 million on net income.
- ISA CTEEP and its companies recognized the effect of an appeal filed before ANEEL for the Periodic Tariff Review (RTP) related to the basic network new investments (RBNI), which implied higher operating revenues and EBITDA of COP 35.156 million and net income in ISA of COP 8.527 million.
- On March 31, 2021, the contract for the Ruta del Maule concession was terminated, affecting the net income variation for the quarter by COP 26.007 million.
- The Energy Mining Planning Unit (UPME) awarded a project to ISA consisting of the construction, operation, and maintenance of the new Carrieles 230 kV substation and associated transmission lines, located in the Department of Antioquia., The execution and operation of this new project will be managed by the subsidiary ISA Intercolombia, and it will allow the company to meet demand growth in electric power, as well as improving the service's reliability and safety in the Northwest of Antioquia. This project must begin operations on January 31, 2025, at which point the Group will begin receiving revenues for approximately USD 5.500 million per year.
- On June 5, construction was completed on the last section of the Interconexión Noroccidental 230/500 MV megaproject, awarded to ISA by the UPME through Call 03 of 2014, which strengthens the National Transmission System and generates sustainable value for the inhabitants of the 36 municipalities covered by the project, thanks to the social and environmental investment made by ISA in these communities. This project provides annual revenues close to COP 155.000 million.

Extraordinary events in 2Q20 and 2Q21

The following two extraordinary events: one in 2Q20 and the other in 2Q21, explain the main variations throughout this report:

- Non-recurring event for 2Q20: recognition of the Periodic Tariff Review and RBSE adjustments in ISA CTEEP. The net effect for the quarter was COP 710.866 million on EBITDA and COP 168.050 million on net income.
- Non-recurring event for 2Q21: The recognition of Ke over the Ke and the reprofiling of the RBSE financial component, with a favorable impact of COP 303.885 million on operating revenues and EBITDA and COP 71.839 million on net income, mentioned above.

A summary of the income statement is presented below, **with and without the effect of these extraordinary events** on income for the quarter.

Main figures						
COP Millions	2Q21	2Q20	Var. %	2Q21	2Q20	Var. %
	Total			Excluding extraordinary events		
Revenues	2.843.094	2.680.937	6,0	2.539.209	1.970.071	28,9
EBITDA	1.911.194	1.852.484	3,2	1.607.309	1.141.618	40,8
EBITDA margin	67,2%	69,1%	(1,9)	63,3%	57,9%	5,4
(-) Income tax	330.545	377.798	(12,5)	227.224	136.104	66,9
(-) Minority interest	418.369	449.505	(6,9)	289.644	148.383	95,2
Net income	585.892	550.414	6,4	514.053	382.364	34,4
Net margin	20,6%	20,5%	0,1	20,2%	19,4%	0,8

For the accumulated amount, following is income **with and without the effect of these extraordinary events**:

Main figures						
COP Millions	6M21	6M20	Var. %	6M21	6M20	Var. %
	Total			Excluding extraordinary events		
Revenues	5.208.467	4.750.510	9,6	4.904.582	4.039.644	21,4
EBITDA	3.419.313	3.171.913	7,8	3.115.428	2.461.047	26,6
EBITDA margin	65,6%	66,8%	(1,2)	63,5%	60,9%	2,6
(-) Income tax	582.390	576.663	1,0	479.069	334.969	43,0
(-) Minority interest	703.852	699.267	0,7	575.127	398.145	44,5
Net income	1.093.826	928.922	17,8	1.021.987	760.872	34,3
Net margin	21,0%	19,6%	1,4	20,8%	18,8%	2,0

1. Macroeconomic variables

Financial Statement Exchange Rates						
Rates	2Q21	2020	Var. %	2Q21	2Q20	Var. %
	Closed at			Average		
COP / USD	3.756,7	3.432,5	9,4	3.626,1	3.686,7	(1,6)
BRL / USD	5,0	5,2	(3,7)	5,4	4,9	9,4
CLP / USD	727,8	711,0	2,4	720,4	806,8	(10,7)
COP / BRL	751,0	660,5	13,7	673,2	748,7	(10,1)
COP / CLP	5,2	4,8	6,9	5,0	4,6	10,2

% Accumulated inflation			
Indicator	2Q21	2Q20	Var.
PPI COL	10,0	0,2	9,8
CPI COL	3,1	1,1	2,0
IGPM BRL	15,1	4,4	10,7
IPCA	3,8	0,1	3,7
IPC Chile	2,0	1,2	0,8

2. Income Statement

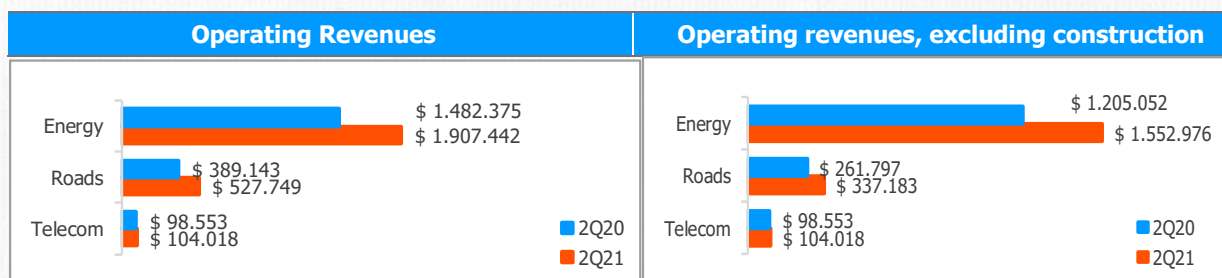
Revenues

In 2Q21, operating revenues, including construction and operating revenues, reached COP 2,8 trillion, which is 6,0% higher than the figure for the same period of 2020.

Excluding **extraordinary events**, operating revenues reached COP 2,5 trillion, 28,9% more than in the same period in 2020. This variation was mainly due to the entry into operation of electric power transmission projects, the consolidation of ORAZUL ENERGY GROUP as of the third quarter of 2020, RUTA COSTERA as of the fourth quarter of 2020, and Piratininga - Bandeirantes Transmissora de Energia (PBTE) as of March 202; as well as the increase in the construction activity of the concessions in Peru, Brazil, and Chile.

Construction revenues totaled COP 545.032 million, an increase of 34,7% compared with 2Q20. The variation was mainly due to the following factors:

- Brazil: higher revenues of COP 61.320, mainly due to the increase in the construction activity and the application of the construction margin at ISA CTEEP and its companies in accordance with the pronouncement of the Securities and Exchange Commission of Brazil (CVM), as was explained in detail in the year-end report of 2020.
- Chile: increase in revenues of COP 35.072 million when compared with the same quarter of 2020, due to higher construction activity for COP 93.339 million, partially offset by not recording construction revenues from Ruta de Maule in the current quarter.
- Colombia: construction activity in RUTA COSTERA for COP 28.148 million.
- Peru: higher construction activity for COP 15.823 million, mainly from the Coya-Yana project.



Operating revenues and operating revenues excluding extraordinary events.
Figures in COP millions

Operating revenues reached COP 2,3 trillion, 1% higher than in the same period of the previous year. Excluding **extraordinary events**, operating revenues reached COP 2,0 trillion, 27,4% more than in the same period of 2020. By business unit, these factors explained the variation:

Electric Power: revenues increased by 28,9% (COP 347.924 million) compared with 2Q20, mainly due to:

- Brazil: higher revenues of COP 325.541 million due to the inflation adjustment (IPCA) of revenues in ISA CTEEP and its companies (COP 224.529 million), the restatement of the contract assets according to the CVM's pronouncement (COP 40.318 million), the incorporation of 100% of PBTE (COP 54.031 million) and the effect of an appeal filed before ANEEL (COP 35.156 million), partially offset by the annual periodic adjustment of revenues for 2021, which in the prior year was recognized during 3Q20 (COP 48,199 million) and a reduction in O&M revenues as a result of the tariff revision (COP 7,352 million).
- Colombia: higher revenues of COP 51.829 million, mainly due to the incorporation of the following calls: Copey - Cuestecitas and Copey - Fundación Transmission Lines second reinforcement and second transformer in the Ocaña Substation, higher connection services, and the effect of macroeconomic variables (PPI and MER) on revenues.
- Bolivia: lower revenues of COP 16,495 million due to the change in the profile of the total remuneration of the investment under the concession contract.
- Peru: higher revenues due to the consolidation of the ORAZUL ENERGY GROUP (COP 10.524 million).
- The entry into operation of projects from the end of 2020, among which we highlight the following: Expansion 20 (Peru), the Second Bank of the Cardones, Maitencillo and Pan de Azúcar Substation (Chile), and the Moquegua - Papujune Connection (Peru).

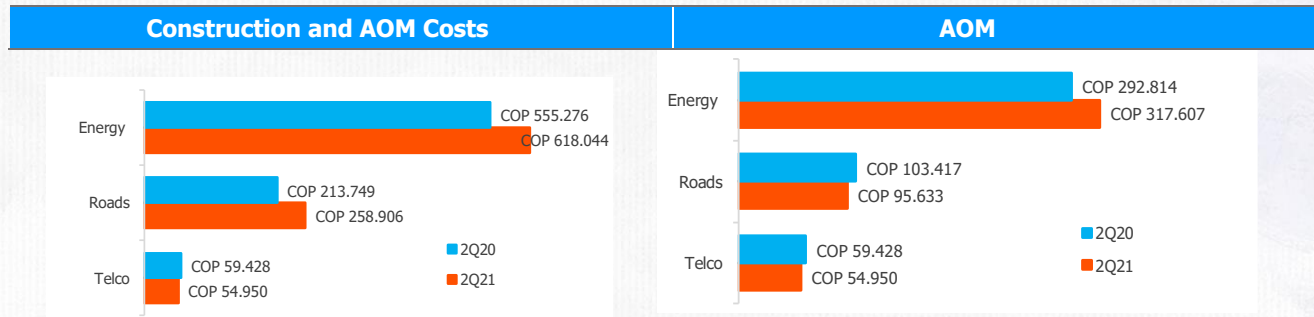
Roads: increase in revenues of 28,8% (COP 75.386 million) higher than in 2Q20 as a result of the incorporation of RUTA COSTERA (COP 62.811 million); higher revenues associated with maintenance in concessions and toll management in Chile (COP 53.205 million); and an exchange rate effect, increasing revenues (COP 22.683 million). This was partially offset by lower revenues from the termination of the Ruta del Maule concession contract (COP 40.630 million).

Telecommunications: increase in revenues of 5,5% (COP 5.465 million) when compared with 2Q20, mainly due to higher consumption of internet services in Colombia, Peru, Chile and Brazil.

Regarding **accumulated** variations, as of June 2021, excluding **extraordinary events**, construction revenues increased by 36,6% to COP 1,0 trillion, while operating revenues increased by 18,2% to COP 3,9 trillion, for the same reasons as in the quarter.

Operating costs: construction costs + AOM expenses

In 2Q21, operating costs totaled COP 931,900 million, 12,5% higher than in the same period of 2020. This variation (COP 103.447 million) was mainly due to the increase in the construction activity of the electric power transmission and Road Concessions in Colombia and Chile.



Figures in COP millions

Construction costs increased by 24,4% (COP 90.916 million) due to increased construction activity in Chile (COP 81.077 million), Brazil (COP 20.036 million) and Peru (COP 17.940 million), plus the incorporation of RUTA COSTERA (COP 22.519 million). This variation was also due to the termination of the Ruta del Maule concession contract (COP 50.656 million).

AOM was COP 468.190 million, a 2,8% increase when compared with the same period of 2020. By business unit, the results are the following:

Electric power: presented an increase of 8,5% (COP 24.793 million), explained by the consolidation of the new electric power transmission companies and the entry into operation of new projects (COP 28.808 million) and an exchange rate effect that reduced costs by COP 4.016 million.

Road: decreased by 7,5% (COP 7.784 million), mainly due to the termination of Ruta del Maule (COP 31.898 million), offset by the consolidation of RUTA COSTERA for COP 10.906 million and the exchange rate effect, which increased costs by COP 9.169 million.

Telecommunications: AOM was 7,5% lower (COP 4.478 million), due to the strategy of keeping costs and expenses constant with respect to 2020.

For the accumulated period:

- Construction costs reached COP 839.079 million, an increase of 25,3%, mainly due to the construction activity of RUTA COSTERA for COP 56.495 million, in addition to the progress of works in Brazil, Chile, and Peru, especially in the Coya-Yana project.
- AOM was COP 950.075 million, 4,5% higher than in the same period of 2020. The Group continues to work on the efficient management and strict control of its AOM expenses, demonstrated by an AOM growth that was lower than the increase in revenues, which, as mentioned above, was 18,2%.

EBITDA

In light of the above, the following variations are presented for 2Q21 compared with the same period of the previous year:

- EBITDA increased 3,2% to COP 1,9 trillion. EBITDA margin went from 69,1% to 67,2%; excluding construction, the margin went from 80,0% to 79,6%.

- Excluding **extraordinary events**, EBITDA increased by 40,8%, up to COP 1,6 trillion. EBITDA margin went from 57,9% to 63,3%, and from 70,9% to 76,5% excluding construction.

Variations **in the accumulated amount** when compared with the first half of 2020 are the following:

- EBITDA increased by 7,8% to COP 3,4 trillion. EBITDA margin went from 66,8% to 65,6%. Excluding construction, the margin went from 77,5% to 77,6%.
- Excluding **extraordinary events**, EBITDA increased by 26,6%, reaching COP 3,1 trillion. EBITDA margin went from 60,9% to 63,5%, and from 72,7% to 75,8%, excluding construction.

Results for joint ventures and associated companies

For 2Q21, the results of the companies where ISA exerts joint control and significant influence totaled COP 135.123 million, growing by COP 160.044 million when compared with the same quarter of the previous year, as a result of a higher IGPM/IPCA in Brazil and the restatement of contract assets due to the enforcement of the CVM's pronouncement, as explained in detail in the 4Q20 report.

For the accumulated amount, the equity method reached COP 276.147 million, with a variation of COP 236.279 million when compared with the same period of the previous year, for the same reasons of the quarter.

Operating income

As a result of the above, the following variations are presented for 2Q21 compared with the same period of the previous year:

- Operating income increased by 6,1% (COP 102.225 million) to COP 1,8 trillion. Operating margin remained stable at 62,6%. Excluding construction, the margin went from 72,3% to 73,9%.
- Excluding **extraordinary events**, operating income increased by 52,7% (COP 509.206 million) to COP 1,5 trillion. The operating margin went from 49,1% to 58,1%, and from 59,7% to 69,9%, excluding construction.

For their part, variations **for the accumulated amount**, when compared with the first half of 2020, are the following:

- Operating income increased by 12,9% (COP 366.380 million) to COP 3,2 trillion. The operating margin went from 59,8% to 61,6%. Excluding construction, the margin went from 69,3% to 72,6%.

- Excluding **extraordinary events**, operating income increased by 36,3% (COP 773.361 million) to COP 2,9 trillion. Operating margin went from 52,7% to 59,2%, and from 62,7% to 70,4%, excluding construction.

Net financial expenses

For 2Q21, net financial expenses were COP 444.924 million, 48,4% higher (COP 145.136 million) when compared with the same period of the previous year, mainly due to a higher interest expense (COP 96.129 million), due to the consolidation of RUTA COSTERA and PBTE, the increase in indebtedness to finance the Group's growth, and a higher exchange difference expense of COP 49.006 million, from accounts payable in foreign currency and intercompany loans.

In the accumulated amount, net financial expenses were COP 826.977 million, 30,1% (COP 191.164 million) higher than in the same period of the previous year, mainly due to higher interest expenses of COP 166.387 million, due to the entry into operation of new subsidiaries and higher inflationary indexes in Chile and especially Brazil, and a higher exchange difference expense of COP 24.779 million.

Income tax

During the quarter, income tax amounted to COP 330.545 million, 12,5% lower (COP 47,253 million) when compared with 2Q20. The accumulated amount was COP 582.390 million, 1% higher (COP 5.727 million) when compared with the same period of the previous year.

Excluding **extraordinary events**, for 2Q21, income tax increased by 66,9% (COP 91.120 million) to COP 227.224 million due to higher income. In the accumulated amount, this also generated an increase of 43% in income tax.

Net income

As a result of the above, the following variations are presented for 2Q21 compared with the same period of the previous year:

- Increase in net income of 6,4% (COP 35.478 million), closing at COP 585.892 million. Net margin went from 20,5% to 20,6%.
- Excluding **extraordinary events**, net income increased by 34,4% (COP 131.689 million) to COP 514.053 million. Net margin went from 19,4% to 20,2%.

Variations **in the accumulated amount** when compared with the first half of 2020 are the following:

- Increase in net income of 17,8% (COP 164.904 million), closing at COP 1.1 trillion. Net margin went from 19,6% to 21%.
- Excluding **extraordinary events**, net income increased by 34,3% (COP 261.115 million) reaching COP 1,0 trillion. Net margin went from 18,8% to 20,8%.

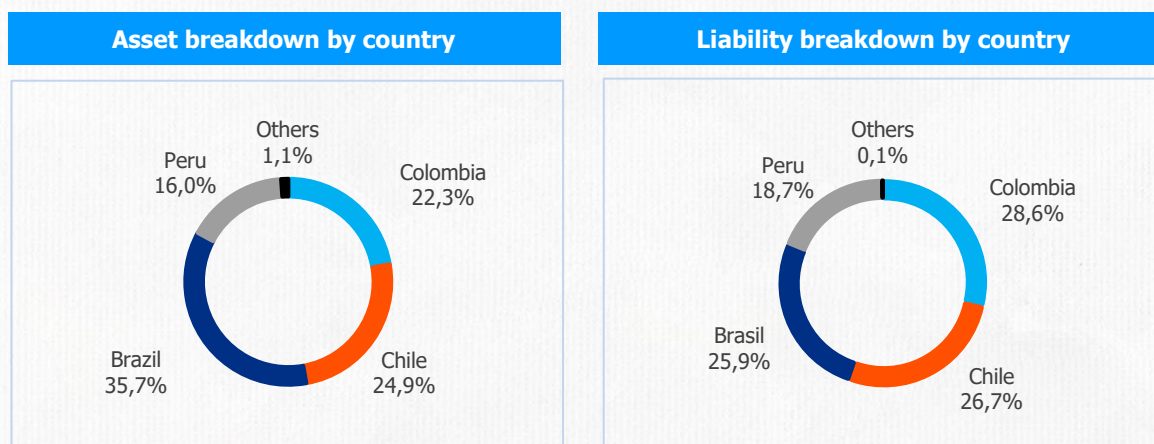
ISA's natural hedging strategy, where each company seeks to incur debt in the same currency as revenues, allowed the effect of exchange rate variations on net income to be only -2,9% for the quarter and -3,6% for the whole year, thus demonstrating the strategy's effectiveness.

3. Balance Sheet

Assets and liabilities

The Group's assets amounted to COP 62,6 trillion, 15,9% higher (COP 8,6 trillion) compared with the same period of the previous year, due to the Company's growth through new projects in Colombia, Peru, Chile, and Brazil and the consolidation of PBTE and RUTA COSTERA. The exchange rate effect increased assets by COP 4,3 trillion, given the 13,7% devaluation of the closing rate of the COP against the BRL, 9,4% devaluation against the USD, and 6,9% devaluation against the CLP.

The Group's liabilities totaled COP 40,7 trillion, up 20,2% (COP 6,8 billion) when compared with December 2020 due to the consolidation of liabilities of acquired companies and increased funding requirements to address the Group's growth. The exchange rate effect increased liabilities by COP 2,4 trillion.



Equity

Minority interest totaled COP 8,0 trillion, 14,4% higher (COP 1,0 trillion) compared with December 2020, as a result of a higher exchange rate effect in Brazil due to the devaluation of the COP against the BRL, the USD, and the CLP.

ISA's equity reached COP 13,9 trillion, 5,7% higher (COP 745.281 million) when compared with December 2020; the variation was the net result of higher income and a positive exchange rate effect, partially offset by the dividends declared at the 2021 General Shareholders' Meeting.

4. Cash Flow

Cash flow during 2Q21 was COP 3,8 trillion, 52% more than in the same period of the previous year. During the six-month period, funds generated by operating activities amounted to COP 2,1 trillion and funds generated by financing activities amounted to COP 252.074 million, with a negative effect of the exchange rate of COP 44.706 million. These funds were mainly used for

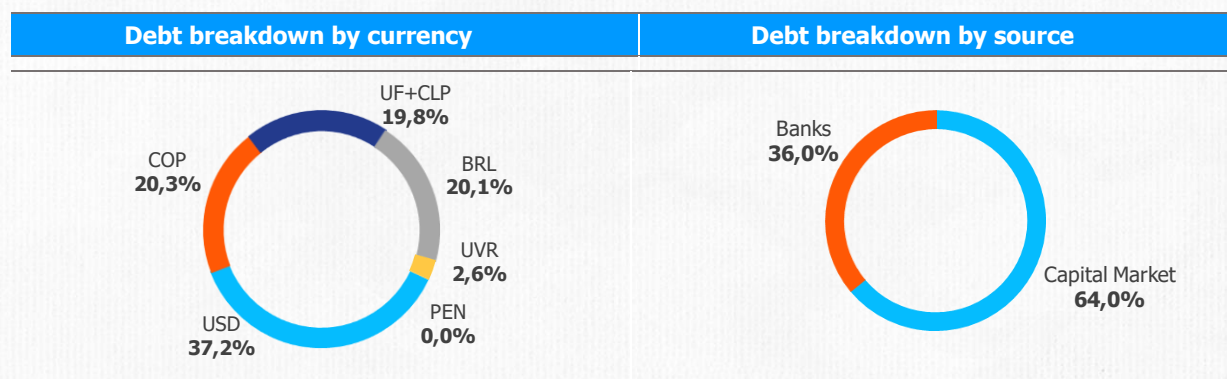
investments of COP 1,4 trillion, resulting in a final cash balance of COP 4,7 trillion, 34% more than in the same period of the previous year.

5. Debt

As of June 2021, the consolidated financial debt amounted to COP 26,4 trillion¹, an increase of 16,1% compared with December 2020. The main reasons of this increase are:

1. In Brazil, CTEEP issued COP 1,4 trillion in bonds and promissory notes to finance its growth besides PBTE's COP 274 billion debt consolidation.
2. Exchange rate effect of COP 1,7 trillion, explained by the devaluation of the COP against the BRL and the CLP.

Debt/EBITDA, Net debt ²/EBITDA, and EBITDA/Financial expense indicators in June were: 3,8x, 3,0x, and 5,9x, respectively, maintaining the proper levels to maintain the current credit rating and with the possibility to continue leveraging the growth strategy.



6. Investments and projects

Investments

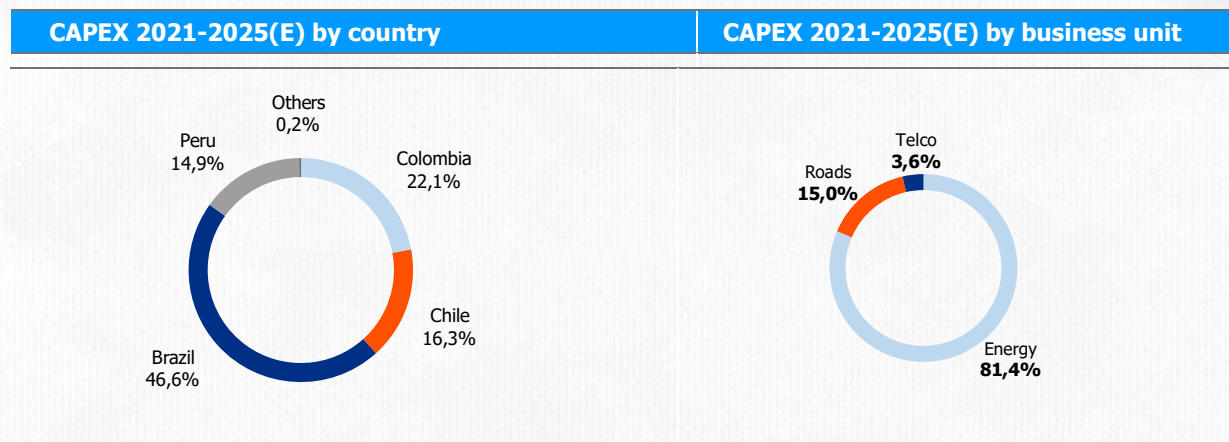
During the second quarter, investments of COP 770.664 million were used in the construction of electric power transmission projects in the countries where the Group is present. In the Road Concessions business unit, progress was made in the construction of Rutas del Loa, Third Lanes and Regulatory Safety Works in Maipo and in the UF6 Tranche of Ruta Costera. (See annex Table 5).

COP Millions	1Q21	2Q21	6M21	% Share	2021(E)
Colombia	208.178	171.333	379.510	14,3	961.971
Chile	101.824	129.758	231.582	8,7	673.183
Brazil	1.326.416	264.528	1.590.315	59,8	2.370.823
Peru	248.054	204.833	452.887	17,0	997.677
Others	4.046	213	4.260	0,2	8.154
TOTAL	1.888.518	770.664	2.658.554	100,0	5.011.808

¹ Debt is expressed in nominal amounts.

² The net debt is equal to the balance of the gross debt less cash-in-hand and equivalents.

The investment plan for the 2021-2025 period amounts to COP 14,3 trillion, of which COP 5,0 trillion will be invested in 2021. These investments include the commitments to be completed by the ISA Group.



Projects that entered operation

During the second quarter of the year, ISA, through its affiliate ISA INTERCOLOMBIA, put into operation the Interconexión Noroccidental 230/500 MV project. This mega-project covers 36 municipalities in the departments of Antioquia, Córdoba, and Santander and guarantees the reliability of the National Transmission System. This is the first project with 500 MV double circuit towers and four 230 MV circuits, as well as the first gas insulated 500 MV substations. It will generate annual revenues of USD 42 million according to the bid submission.

7. ESG

ISA INCLUDED AGAIN IN THE FTSE4GOOD INDEX DUE TO ITS GOOD SUSTAINABILITY PRACTICES

For the fourth year in a row, the Company has been included in the FTSE4Good index, which measures the performance of companies in accordance with Environmental, Social and Governance (ESG) criteria. After a detailed review of our corporate report and other public documents, the FTSE Russell group included ISA in the FTSE4Good Index, "due to its compliance with the ethical investment stock market indices as well as global corporate responsibility standards". Being included in the FTSE4Good Index confirms consistency with the *ISA2030 Strategy, inspired in the creation of sustainable value*.

ISA INTERCHILE ENTERS THE INTERNATIONAL FINANCIAL MARKETS WITH FIRST GREEN BOND FOR USD 1,2 BILLION

With the purpose of refinancing the debt commitments acquired during the construction phase of the Cardones – Polpaico Transmission Line, key infrastructure to decarbonize the matrix and contribute to the climate change mitigation, on July 26 ISA INTERCHILE issued its first green bond project for USD 1,2 billion with a 35-year term.

This instrument was rated BBB+ by Fitch Ratings, and Baa1 by Moody's. This financial milestone represents the largest placement of a green project bond in the instrument's history in Latin America and the Caribbean.

ISA is among the 5 companies with best Private Social Investment practices in Colombia

With a score of 95,7 out of 100, the Company was one of the organizations highlighted as having the best social and environmental investment strategy in Colombia, according to the 2021 Private Social Investment Index of the firm Jaime Arteaga & Asociados, in alliance with *Semana Magazine*.

This confirms the ISA Group's intention to support territorial development and economic revitalization, as nearly 85% of the communities that benefit from social and environmental programs are rural communities, and nearly 97% of them are in vulnerable conditions.

WAYUU COMMUNITIES RECEIVE THE SARARAO MODULE OF PUBLIC TANKS IN OPERATION; AS PART OF THE GUAJIRA AZUL PROGRAM

Recently, ISA completed an ambitious project to bring potable water to thousands of families of the Wayúu communities in the Department of La Guajira, Colombia, by delivering the Pilas Públicas Sararao project, the first Works for Taxes project of the ISA Group in Colombia, developed by our affiliate ISA INTERCOLOMBIA, which joins those projects already completed in Peru.

Individual Financial Results

2021 Second Quarter

In Colombian pesos

Income Statement

Revenues

During the second quarter, operating revenues reached COP 342.792 million, 8,8% more than the same period of 2020. This variation was mainly associated with higher revenues due to the incorporation of the calls for proposals in 2021: UPME-09-16 Second reinforcement of the Copey - Cuestecitas and Copey - Fundación transmission lines and UPME-01-18 Second transformer in the Ocaña substation. In addition, effect of macroeconomic variables (PPI and RMR) on revenues and higher connection revenues.

In the accumulated amount, operating revenues reached COP 676.317 million, 8,4% higher than the figure for the same period of the previous year, for the same reasons as in the quarter.

AOM Expenses

In 2Q21, AOM expenses amounted to COP 36.534 million, an increase of 6,5% when compared with 2Q20, explained by: higher maintenance expenses for licenses acquired for our digitalization strategy for COP 1.436 million and higher expenses from the increase in executive liability insurance policies for COP 1.342 million, which experienced a growth associated with the "hardening" of the insurance market worldwide.

Accumulated AOM expenses for the six-month period amounted to COP 86.555 million, an increase of 7,2%, which, in addition to the reasons for the quarter, was due to: higher execution of studies and projects for COP 1.719 million and higher expenses associated with the United Nations Development Program for COP 561 million.

EBITDA

In light of the above, EBITDA for 2Q21 reached COP 306.258 million, an increase of 9,1% when compared with the same period of the previous year. EBITDA margin was 89,3% vs. 89,1% in this period.

In the accumulated amount, EBITDA reached COP 589.762 million, 8,6% more than in the same period of 2020. EBITDA margin was 87% vs. 87,1% in this period.

Provisions, Depreciations, and Repayments

Provisions, depreciations, and repayments in the second quarter amounted to COP 50.598 million, 14,2% more than in 2020. This was mainly due to the entry into operation of the new projects, which generated a higher depreciation expense of COP 5.987 million.

In the accumulated amount, provisions, depreciations, and repayments totaled COP 100.730 million, maintaining the same variation percentage as in the quarter and for the same reasons.

Results for the joint venture and associated companies

In 2Q21, the equity method amounted to COP 442.842 million, 3,3% more than in 2020. This growth was mainly due to: higher revenues in Brazil due to the enforcement of the CVM's pronouncement, the entry into operation of new projects, and the consolidation of ORAZUL ENERGY GROUP, COSTERA, and PBTE.

Continuing on the path of sustainable, profitable growth of the companies in which ISA holds an interest, the accumulated income by equity method was COP 827.180 million, with an increase of 18,1% when compared with June 2020; in addition to the reasons explained in the quarter, it includes the efficient management of AOM expenses in the countries where ISA is present.

Net financial expenses

In the second quarter of 2021, interest expenses totaled COP 65.074 million, 7,5% less than in 2020. This result was mainly due to lower interest, per the prepayment of debt in December 2020 for COP 280 billion.

In the accumulated amount, the net financial expense was COP 121.715 million, 26,5% less than in the same period of 2020, for the same reasons of the quarter.

Income tax

Taxes amounted to COP 47.961 million, COP 8.407 million higher than in 2Q20, due to higher income. These same reasons explained the increase of 78,4% in the accumulated amount.

Net income

Net income for the second quarter closed at COP 585.480 million, increasing by 6,1% when compared with the same period of 2020. Net margin for the period went from 74,2% to 74,5%. As mentioned above, the variation was mainly due to higher revenues from the initiation of operations of new projects, the effect of macroeconomic variables, and the higher results of the joint ventures.

Accumulated net income at the end of June reached COP 1.093.020, 17,4% higher than in the same period of the previous year. The net margin went from 70,3% to 72,7% for the same period.

Balance Sheet

ISA's assets reached COP 22 trillion, 11,1% more than in December 2020. The variation was mainly due to the Company's growth through the acquisition of ORAZUL ENERGY GROUP, RUTA COSTERA, and PBTE. In addition, this was due to cash surpluses resulting from higher dividends received from affiliates during the quarter.

Liabilities reached COP 8 trillion, an increase of 22,1% when compared with the figure at the end of 2020, mainly explained by accounts payable associated with dividends announced for COP 1,4 trillion.

Equity reached COP 13,9 trillion, 5,6% more when compared with December 2020. The variation was the net result of higher income and a positive exchange rate effect, partially offset by the dividends decreed at the 2021 General Shareholders' Meeting.

Cash Flow

The cash flow in the first six-month period of 2021 was COP 542.198 million. During the period, operating activities generated COP 450.468 million and investment activities generated COP 700.074 million, the latter mainly due to dividend and interest income for the six-month period. These sources were used to service debt for COP 193.416 million, to generate a final cash balance of COP 1,5 trillion, 40,8% more than in the same period of the previous year. These surpluses are necessary to finance investments in the following months.

Table 1. Consolidated revenues

Figures in COP millions, unaudited.

By business unit

Operating	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Energy	3.986.445	76,5	3.834.830	80,7	151.615	4,0	1.099
Roads	1.020.099	19,6	726.917	15,3	293.182	40,3	281
Telecommunications	201.923	3,9	188.763	4,0	13.160	7,0	56
Total	5.208.467	100,0	4.750.510	100,0	457.957	9,6	1.436

In operation	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Energy	3.353.389	79,2	3.348.822	82,9	4.567	0,1	924
Roads	679.978	16,1	500.305	12,4	179.673	35,9	188
Telecommunications	201.923	4,7	188.763	4,7	13.160	7,0	56
Total	4.235.290	100,0	4.037.890	100,0	197.400	4,9	1.168

Operating	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Energy	2.211.327	77,8	2.193.241	81,8	18.086	0,8	609
Roads	527.749	18,6	389.143	14,5	138.606	35,6	146
Telecommunications	104.018	3,6	98.553	3,7	5.465	5,5	29
Total	2.843.094	100,0	2.680.937	100,0	162.157	6,0	784

In operation	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Energy	1.856.861	80,8	1.915.918	84,2	(59.057)	(3,1)	512
Roads	337.183	14,7	261.797	11,5	75.386	28,8	93
Telecommunications	104.018	4,5	98.553	4,3	5.465	5,5	29
Total	2.298.062	100,0	2.276.268	100,0	21.794	1,0	634

By country

Operating	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Colombia	1.356.003	26,0	1.065.313	22,4	290.690	27,3	374
Chile	986.960	18,9	888.672	18,7	98.288	11,1	272
Brazil	1.818.623	34,9	1.770.495	37,3	48.128	2,7	502
Peru	1.025.029	19,7	944.749	19,9	80.280	8,5	283
Other	21.852	0,5	81.281	1,7	(59.429)	(73,1)	5
Total	5.208.467	100,0	4.750.510	100,0	457.957	9,6	1.436

In operation	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Colombia	1.285.384	30,3	1.065.313	26,4	220.071	20,7	354
Chile	717.459	16,9	662.060	16,4	55.399	8,4	198
Brazil	1.464.327	34,6	1.520.629	37,7	(56.302)	(3,7)	404
Peru	746.268	17,6	708.607	17,5	37.661	5,3	206
Other	21.852	0,6	81.281	2,0	(59.429)	(73,1)	6
Total	4.235.290	100,0	4.037.890	100,0	197.400	4,9	1.168

Operating	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Colombia	682.723	24,0	538.822	20,1	143.901	26,7	188
Chile	520.808	18,3	476.838	17,8	43.970	9,2	144
Brazil	1.098.940	38,7	1.117.278	41,7	(18.338)	(1,6)	303
Peru	528.651	18,6	510.763	19,1	17.888	3,5	146
Other	11.972	0,4	37.236	1,3	(25.264)	(67,8)	3
Total	2.843.094	100,0	2.680.937	100,0	162.157	6,0	784

In operation	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Colombia	654.575	28,5	538.822	23,7	115.753	21,5	181
Chile	358.390	15,6	349.492	15,4	8.898	2,5	99
Brazil	891.438	38,8	971.096	42,7	(79.658)	(8,2)	246
Peru	381.687	16,6	379.622	16,7	2.065	0,5	105
Other	11.972	0,5	37.236	1,5	(25.264)	(67,8)	3
Total	2.298.062	100,0	2.276.268	100,0	21.794	1,0	634

Table 2.

Construction and AOM Costs

Figures in COP millions, unaudited.

By business unit

Construction and AOM	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Energy	1.180.027	66,0	1.083.889	68,7	96.138	8,9	326
Roads	501.176	28,0	381.200	24,1	119.976	31,5	138
Telecommunications	107.951	6,0	113.508	7,2	(5.557)	(4,9)	30
Total	1.789.154	100,0	1.578.597	100,0	210.557	13,3	494

AOM	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Energy	630.863	66,4	610.385	67,2	20.478	3,4	175
Roads	211.261	22,2	184.972	20,4	26.289	14,2	58
Telecommunications	107.951	11,4	113.508	12,4	(5.557)	(4,9)	30
Total	950.075	100,0	908.865	100,0	41.210	4,5	263

Construction and AOM	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Energy	618.044	66,3	555.276	67,0	62.768	11,3	171
Roads	258.906	27,8	213.749	25,8	45.157	21,1	71
Telecommunications	54.950	5,9	59.428	7,2	(4.478)	(7,5)	15
Total	931.900	100,0	828.453	100,0	103.447	12,5	257

AOM	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Energy	317.607	67,8	292.814	64,3	24.793	8,5	88
Roads	95.633	20,4	103.417	22,7	(7.784)	(7,5)	26
Telecommunications	54.950	11,8	59.428	13,0	(4.478)	(7,5)	15
Total	468.190	100,0	455.659	100,0	12.531	2,8	129

By country

Construction and AOM	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Colombia	455.269	25,4	347.354	22,0	107.915	31,1	126
Chile	460.983	25,8	406.776	25,8	54.207	13,3	127
Brazil	476.903	26,7	453.127	28,7	23.776	5,2	132
Peru	387.550	21,7	336.397	21,3	51.153	15,2	107
Other	8.449	0,4	34.943	2,2	(26.494)	(75,8)	2
Total	1.789.154	100,0	1.578.597	100,0	210.557	13,3	494

AOM	6M21	Part. %	6M20	Part. %	Var. COP	Var. %	6M21 USD
Colombia	398.774	42,0	347.354	38,2	51.420	14,8	110
Chile	227.564	24,0	210.548	23,2	17.016	8,1	63
Brazil	203.488	21,4	207.164	22,8	(3.676)	(1,8)	57
Peru	111.800	11,8	108.856	12,0	2.944	2,7	31
Other	8.449	0,8	34.943	3,8	(26.494)	(75,8)	2
Total	950.075	100,0	908.865	100,0	41.210	4,5	263

Construction and AOM	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Colombia	221.053	23,7	169.384	20,4	51.669	30,5	61
Chile	244.171	26,2	227.289	27,4	16.882	7,4	67
Brazil	256.463	27,5	233.897	28,2	22.566	9,6	71
Peru	204.770	22,0	184.358	22,3	20.412	11,1	56
Other	5.443	0,6	13.525	1,7	(8.082)	(59,8)	2
Total	931.900	100,0	828.453	100,0	103.447	12,5	257

AOM	2Q21	Part. %	2Q20	Part. %	Var. COP	Var. %	2Q21 USD
Colombia	198.534	42,4	169.384	37,2	29.150	17,2	55
Chile	103.418	22,1	116.957	25,7	(13.539)	(11,6)	29
Brazil	102.034	21,8	99.504	21,8	2.530	2,5	28
Peru	58.761	12,6	56.289	12,4	2.472	4,4	16
Other	5.443	1,1	13.525	2,9	(8.082)	(59,8)	3
Total	468.190	100,0	455.659	100,0	12.531	2,8	131

Table 3.

Consolidated debt

Figures in COP millions

	Business	2Q21	2020	Var. \$	Var. %	2Q21 USD
CHILE		8.286.593	7.613.332	673.261	8,8%	2.206
Intervial	Roads	767.917	561.412	206.505	36,8%	204
Ruta del Maipo	Roads	3.491.104	3.258.092	233.012	7,2%	929
Ruta de la Araucanía	Roads	405.518	302.541	102.977	34,0%	108
Ruta del Bosque	Roads	243.950	268.540	-24.591	-9,2%	65
Ruta de los Ríos	Roads	140.049	152.745	-12.696	-8,3%	37
Ruta del Loa	Roads	201.711	162.636	39.075	24,0%	54
Internexa in Chile	Telecom	29.617	24.162	5.455	22,6%	8
Interchile	Transport	3.006.728	2.883.203	123.525	4,3%	800
COLOMBIA		6.998.004	6.963.624	34.381	0,5%	1.863
ISA	Energy	4.772.070	4.800.201	-28.131	-0,6%	1.270
Costera	Roads	1.662.647	1.603.893	58.754		443
Transelca	Energy	338.050	338.050	-	0,0%	90
Internexa	Telecom	225.237	221.479	3.757	1,7%	60
BRAZIL		5.301.018	3.146.876	2.154.143	68,5%	1.411
CTEEP	Energy	4.701.574	2.834.532	1.867.042	65,9%	1.252
IEMG	Energy	-	7.798	-7.798	-100,0%	-
IEPINHEIROS	Energy	18.542	17.129	1.413	8,3%	5
IE Serra Do Japi	Energy	26.523	23.862	2.661	11,2%	7
IENNE	Energy	106.261	97.562	8.699	8,9%	28
IESUL	Energy	8.016	8.029	-13	-0,2%	2
PBTE	Energy	274.116	-	274.116		73
ISA Investimentos	Energy	113.416	67.042	46.374	69,2%	30
Internexa Brasil	Telecom	52.570	90.922	-38.351	-42,2%	14
PERU		5.838.107	5.035.065	803.042	15,9%	1.554
ISA Peru	Energy	567.257	588.156	-20.899	-3,6%	151
REP	Energy	1.112.849	820.484	292.365	35,6%	296
PDI	Energy	4.145	-	4.145		1
Transmantaro	Energy	4.132.337	3.604.125	528.212	14,7%	1.100
Internexa in Peru	Telecom	21.520	22.301	-781	-3,5%	6
TOTAL		26.423.723	22.758.897	3.664.826	16,1%	7.034

Table 4.

Net debt movements as of June 2021

Figures in COP millions, unaudited.

ISA Group - Debt	Disbursements	Repayments	Net
ISA		(64.743)	(64.743)
Costera		(5.931)	(5.931)
Transelca			-
Internexa	3.757		3.757
COLOMBIA	3.757	(70.674)	(66.917)
ISA Perú		(76.445)	(76.445)
REP	230.054	(265)	229.789
PDI	4.145		4.145
Transmantaro	187.834		187.834
Internexa in Peru		(2.303)	(2.303)
PERU	422.032	(79.013)	343.019
CTEEP	1.478.721		1.478.721
IEMG		(8.867)	(8.867)
IEPINHEIROS		(933)	(933)
IE Serra Do Japi		(608)	(608)
IENNE		(4.667)	(4.667)
IESUL		(1.113)	(1.113)
PBTE	274.116		274.116
ISA Investimentos		(23.657)	(23.657)
Internexa Brasil	10.039		10.039
BRAZIL	1.762.876	(39.844)	1.723.032
Intervial	154.473		154.473
Ruta del Maipo	(3.363)	(65.951)	(69.314)
Ruta de la Araucanía	75.774		75.774
Ruta del Bosque		(49.480)	(49.480)
Ruta de los Rios		(26.853)	(26.853)
Ruta del Loa	24.786		24.786
Internexa in Chile	3.784		3.784
Interchile		(148.769)	(148.769)
CHILE	255.453	(291.052)	(35.599)
TOTAL	2.444.119	(480.583)	1.963.535

Table 5.
Projects under Construction

Affiliate	Project name	Date of POC ³ Estimated
INTERCHILE	Nueva Pan de Azúcar - Polpaico Reactive Compensation TL	3Q21*
	Nueva Maitencillo - Nuevo Pan de Azúcar Substation Expansion	3Q21*
	Nuevo Cardones, Nuevo Maitencillo, and Nuevo Pan de Azúcar synchronized control expansion.	4Q21
	Maitencillo - Nueva Maitencillo Transmission Line capacity expansion	1Q23
	Nuevo Pan de Azúcar Substation expansion	1Q23
INTERCOLOMBIA	UPME 05-2014 Cerromatoso-Chinú-Copey	4Q21*
	UPME 06-2018 El Río 220 kV Substation and associated Transmission Lines	2Q22
	Windpeshi Connection	3Q22*
	UPME 07-2017 Sabanalarga - Bolívar 500 kV	4Q22*
	UPME 09-2016 Copey - Cuestecitas - Fundación Transmission Line	2Q23*
	Copey-Cuestecitas 500kV Second Circuit Expansion	2Q23
	UPME 04-2019 La Loma - Sogamoso 500 kV Transmission Line	4Q23
	UPME 03-2021 Carreiles 230 kV Substation and associated Transmission Lines	1Q25
TRANSELCA	Triple A Connection	3Q21*
ISA CTEEP	IEAIMORÉS (L3)	1Q22
	IEPARAGUAÇU (L4)	1Q22
	IEITAÚNAS (L21)	1Q22
	IVAÍ (L1)	3Q22
	IE ITAPURA (LORENA Substation)	3Q22
	IE BIGUAÇU	4Q22
	TRES LAGOAS (L6)	3Q23
	MINUANO (L1)	1Q25
	TRIANGULO MINEIRO (L7)	1Q25
	RIACHO GRANDE	4Q25
CONSORCIO TRANSMANTARO	Nueva Mantaro - Nueva Yanango and Carapongo Connection	3Q22*
	Talara (Petroperú) Connection	2Q21*
	Chincha - Nazca	3Q23
	Reinforcements 1 and 2	1Q24
ISA INTERVIAL RUTA COSTERA	Tranche III, Road and Regulatory Safety Works	2021/22/24
	Regulatory safety works at Ruta de la Araucanía, Ruta del Bosque and Ruta de los Ríos	2022/23/23
	Ruta del Loa	2024
	Concesión Costera Cartagena-Barranquilla – UF 6 Tranche	2021

In addition, 271 reinforcement projects are underway in Brazil, which will generate annual revenues of approximately USD 50 million.

* An extension will be requested.

³ POC = Commercial start-up

Table 6.

Consolidated income statement

For the periods ended June 30, 2021 and 2020

Figures in COP millions, unaudited.

	2Q21	2Q20	Var. COP	Var. %	2Q21 USD	6M21	6M20	Var. COP	Var. %	6M21 USD
Construction revenues	545.032	404.669	140.363	34,7	150	973.177	712.620	260.557	36,6	268
Construction Cost	463.710	372.794	90.916	24,4	128	839.079	669.732	169.347	25,3	231
Construction EBITDA	81.322	31.875	49.447	155	22	134.098	42.888	91.210	213	37
Operating revenues	2.298.062	2.276.268	21.794	1,0	634	4.235.290	4.037.890	197.400	4,9	1.168
AOM	468.190	455.659	12.531	2,8	129	950.075	908.865	41.210	4,5	263
Operating EBITDA	1.829.872	1.820.609	9.263	0,5	505	3.285.215	3.129.025	156.190	5,0	905
Total EBITDA	1.911.194	1.852.484	58.710	3,2	527	3.419.313	3.171.913	247.400	7,8	942
(-) Provisions, Depreciations, and Repayments	253.860	247.392	6.468	2,6	70	478.167	478.005	162	0,0	131
(+) Net equity method	135.123	(24.921)	160.044	642	37	276.147	39.868	236.279	592	76
(+) Other (expenses) revenues, net	(12.727)	97.334	(110.061)	(113)	(4)	(10.248)	106.889	(117.137)	(109)	(3)
Operating income	1.779.730	1.677.505	102.225	6,1	490	3.207.045	2.840.665	366.380	12,9	884
(+) Financial expenses, net	(444.924)	(299.788)	(145.136)	48,4	(123)	(826.977)	(635.813)	(191.164)	30,1	(228)
Income before taxes	1.334.806	1.377.717	(42.911)	(3,1)	367	2.380.068	2.204.852	175.216	7,9	656
Income tax	330.545	377.798	(47.253)	(12,5)	91	582.390	576.663	5.727	1,0	161
Income before minority interest	1.004.261	999.919	4.342	0,4	276	1.797.678	1.628.189	169.489	10,4	495
Minority interest	418.369	449.505	(31.136)	(6,9)	115	703.852	699.267	4.585	0,7	194
Net income	585.892	550.414	35.478	6,4	161	1.093.826	928.922	164.904	17,8	301
EBITDA margin	67,2%	69,1%				65,6%	66,8%			
Operating margin	62,6%	62,6%				61,6%	59,8%			
Margin before minority interest	35,3%	37,3%				34,5%	34,3%			
Net margin	20,6%	20,5%				21,0%	19,6%			
Excluding construction										
EBITDA margin	79,6%	80,0%				77,6%	77,5%			
Operating margin	73,9%	72,3%				72,6%	69,3%			
Net margin	24,3%	23,6%				24,5%	22,3%			

Table 7.

Consolidated statement of financial position

As of June 30, 2021 (unaudited) and December 31, 2020 (audited)

Figures in COP millions, unaudited.

	2Q21	Part. %	2020	Var. COP	Var. %	2Q21 USD
Cash and cash equivalents	4.745.206	7,6	3.781.713	963.493	25,5	1.263
Financial assets	4.779.221	7,6	5.171.007	(391.786)	(7,6)	1.272
Current taxes	426.452	0,7	260.466	165.986	63,7	114
Inventories, net	117.081	0,2	100.645	16.436	16,3	31
Non-financial assets	372.692	0,6	394.877	(22.185)	(5,6)	99
Loans receivable from related parties	138	0,0	77	61	79,2	-
Current assets	10.440.790	16,7	9.708.785	732.005	7,5	2.779
Restricted cash	322.747	0,5	217.646	105.101	48,3	86
Non-current taxes	14.349	0,0	5.156	9.193	178,3	4
Investments in joint ventures and associates	3.732.594	6,0	3.124.526	608.068	19,5	994
Financial instruments	17.325	0,0	17.102	223	1,3	5
Financial assets	23.844.889	38,1	18.845.990	4.998.899	26,5	6.347
Inventories, net	65.549	0,1	64.521	1.028	1,6	17
Property, plant, and equipment, net	12.578.580	20,0	12.179.180	399.400	3,3	3.348
Intangible assets, net	9.613.978	15,4	8.113.000	1.500.978	18,5	2.559
Non-financial assets	176.565	0,3	128.094	48.471	37,8	47
Deferred tax	1.816.483	2,9	1.608.436	208.047	12,9	484
Loans receivable from related parties	337	0,0	17.287	(16.950)	(98,1)	-
Non-current assets	52.183.396	83,3	44.320.938	7.862.458	17,7	13.891
TOTAL ASSETS	62.624.186	100	54.029.723	8.594.463	15,9	16.670
Financial liabilities	2.772.660	4,4	1.266.015	1.506.645	119,0	738
Accounts payable	2.328.885	3,7	1.186.693	1.142.192	96,2	620
Employee benefits	117.147	0,2	120.979	(3.832)	(3,2)	31
Current taxes	644.816	1,0	376.021	268.795	71,5	172
Provisions	418.503	0,7	368.985	49.518	13,4	111
Non-financial liabilities	157.508	0,3	84.348	73.160	86,7	42
Current liabilities	6.439.519	10,3	3.403.041	3.036.478	89,2	1.714
Financial liabilities	23.361.384	37,3	21.202.820	2.158.564	10,2	6.219
Accounts payable	1.201.491	1,9	1.100.365	101.126	9,2	320
Non-current taxes	1.185.693	1,9	869.716	315.977	36,3	316
Employee benefits	844.516	1,3	781.100	63.416	8,1	225
Provisions	309.852	0,5	247.877	61.975	25,0	82
Non-financial liabilities	451.281	0,7	663.257	(211.976)	(32,0)	120
Deferred tax	6.936.500	11,1	5.615.354	1.321.146	23,5	1.846
Non-current liabilities	34.290.717	54,7	30.480.489	3.810.228	12,5	9.128
TOTAL LIABILITIES	40.730.236	65	33.883.530	6.846.706	20,2	10.842
Subscribed and paid-in capital	36.916	0,1	36.916	0	0,0	10
Premium for placement of shares	1.428.128	2,3	1.428.128	0	0,0	380
Reserves	6.861.491	11,0	6.241.845	619.646	9,9	1.826
Retained income	3.203.922	5,1	3.207.681	(3.759)	(0,1)	853
Income for the period	1.093.826	1,7	2.059.191	(965.365)	(46,9)	301
Other comprehensive income	1.288.773	2,1	194.014	1.094.759	564,3	334
Equity of controlling company	13.913.056	22,3	13.167.775	745.281	5,7	3.704
Non-controlling interest	7.980.894	12,7	6.978.418	1.002.476	14,4	2.124
TOTAL EQUITY	21.893.950	35,0	20.146.193	1.747.757	8,7	5.828
ROE= Net income/Equity without minority interest	16,0%		15,6%			
ROA= Income before minority interest/Assets	6,3%		7,0%			

Table 8.

Consolidated Cash Flow Statement

For the periods ended June 30, 2021 and 2020

Figures in COP millions, unaudited.

	6M21	6M20	Var. COP	Var. %	6M21 USD
Collections from loans and operations portfolio, deposits, and enforceable amounts	153.230	(164.978)	318.208	(193%)	41
Collections from the operation	5.166.040	4.490.024	676.016	15%	1.375
Payments from the operation	2.011.247	1.982.314	28.933	1%	535
Payments to and on behalf of employees	445.987	378.822	67.165	18%	119
Income tax reimbursed (paid)	726.706	487.228	239.478	49%	193
Net cash flows from operating activities	2.135.330	1.476.682	658.648	45%	568
Net cash flows used in investment activities	(1.379.205)	(1.669.472)	290.267	(17%)	(367)
Amounts from issuance of other equity instruments	1.140	19.200	(18.060)	(94%)	-
Net proceeds from loans	1.634.214	1.634.396	(182)	0%	435
Payment of finance lease liabilities	13.684	8.607	5.077	59%	4
Dividends paid	910.776	305.881	604.895	198%	242
Interest paid	458.820	598.581	(139.761)	(23%)	122
Net cash flows used in financing activities	252.074	740.527	(488.453)	(66%)	67
Cash and cash equivalents, excluding exchange effect	1.008.199	547.737	460.462	84%	268
Effects of exchange rate variation on cash	(44.706)	507.001	(551.707)	(109%)	(12)
Net cash and cash equivalents, net	963.493	1.054.738	(91.245)	(9%)	256
Cash and cash equivalents at the beginning of the period	3.781.713	2.487.202	1.294.511	52%	1.007
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4.745.206	3.541.940	1.203.266	34%	1.263

Table 9.

Income Statement - Individual ISA

For the periods ended June 30, 2021 and 2020

Figures in COP millions, unaudited.

	2Q21	2Q20	Var. COP	Var. %	2Q21 USD	6M21	6M20	Var. COP	Var. %	6M21 USD
Operating revenues	342.792	315.094	27.698	8,8	95	676.317	623.839	52.478	8,4	187
Operating AOM	36.534	34.301	2.233	6,5	11	86.555	80.719	5.836	7,2	24
EBITDA	306.258	280.793	25.465	9,1	84	589.762	543.120	46.642	8,6	163
(-) Provisions, Depreciations, and Repayments	50.598	44.289	6.309	14,2	13	100.730	88.220	12.510	14,2	28
Net equity method	442.842	428.492	14.350	3,3	122	827.180	700.677	126.503	18,1	228
Other net revenues/(expenses)	13	(3.454)	3.467	(100,4)	-	1.662	(802)	2.464	(307,2)	-
Operating income	698.515	661.542	36.973	5,6	193	1.317.874	1.154.775	163.099	14,1	363
Interest (expense) revenue, net	(65.074)	(70.379)	5.305	(7,5)	(18)	(121.715)	(165.650)	43.935	(26,5)	(34)
Income before taxes	633.441	591.163	42.278	7,2	175	1.196.159	989.125	207.034	20,9	329
Income tax	47.961	39.554	8.407	21,3	13	103.139	57.816	45.323	78,4	28
Net income	585.480	551.609	33.871	6,1	162	1.093.020	931.309	161.711	17,4	301

Table 10.

Statement of financial position - Individual ISA

As of June 31, 2021 (unaudited) and December 31, 2020 (audited)

Figures in COP millions, unaudited.

	2Q21	Part. %	2020	Var. COP	Var. %	2Q21 USD
Cash and cash equivalents	1.492.654	7,0	542.198	950.456	175,3	397
Accounts receivable	176.312	1,0	158.541	17.771	11,2	47
Loans receivable from related parties	-	0,0	6.346	(6.346)	(100,0)	0
Current taxes	126.604	1,0	68.105	58.499	85,9	34
Non-financial assets	22.986	0,0	12.676	10.310	81,3	6
Current assets	1.818.556	9,0	787.866	1.030.690	130,8	484
Restricted cash	78.674	0,0	8.529	70.145	822,4	21
Non-financial assets	850	0,0	900	(50)	(5,6)	0
Financial assets	19.218	0,0	18.346	872	4,8	5
Loans receivable from related parties	-	0,0	187.208	(187.208)	(100,0)	0
Investments in subsidiaries, associates, and joint ventures	12.598.674	57,0	11.435.299	1.163.375	10,2	3.354
Investments in financial instruments	12.524	0,0	12.524	0	0,0	3
Property, plant, and equipment, net	7.249.023	33,0	7.186.883	62.140	0,9	1.930
Investment property	7.717	0,0	7.761	(44)	(0,6)	2
Intangibles	209.543	1,0	156.725	52.818	33,7	56
Non-current taxes	10.985	0,0	1.023	9.962	973,8	3
Non-current assets	20.187.208	91,0	19.015.198	1.172.010	6,2	5.374
TOTAL ASSETS	22.005.764	100,0	19.803.064	2.202.700	11,1	5.858
Financial liabilities	276.306	1,0	151.393	124.913	82,5	74
Current taxes	125.691	1,0	62.985	62.706	99,6	33
Accounts payable	1.527.772	7,0	111.643	1.416.129	1268,4	407
Employee benefits	11.491	0,0	14.041	(2.550)	(18,2)	3
Other non-financial liabilities	4.142	0,0	3.570	572	16,0	1
Current liabilities	1.945.402	9,0	343.632	1.601.770	466,1	518
Financial liabilities	4.522.584	21,0	4.670.715	(148.131)	(3,2)	1.204
Deferred tax	861.644	4,0	850.437	11.207	1,3	229
Accounts payable to related parties	332.440	2,0	329.546	2.894	0,9	88
Employee benefits	242.824	1,0	241.713	1.111	0,5	65
Other non-financial liabilities	133.793	1,0	143.464	(9.671)	(6,7)	36
Accounts payable	13.715	0,0	13.377	338	2,5	4
Provisions	8.733	0,0	10.007	(1.274)	(12,7)	2
Non-current liabilities	6.115.733	29,0	6.259.259	(143.526)	(2,3)	1.628
TOTAL LIABILITIES	8.061.135	38,0	6.602.891	1.458.244	22,1	2.146
Subscribed and paid-in capital	36.916	0,0	36.916	0	0,0	10
Premium for placement of shares	1.428.128	6,0	1.428.128	0	0,0	380
Reserves	6.861.491	31,0	6.241.845	619.646	9,9	1.826
Accumulated income	3.236.320	15,0	3.236.320	0	0,0	861
Income for the period	1.093.020	5,0	2.062.950	(969.930)	(47,0)	291
Other comprehensive income	1.288.754	5,0	194.014	1.094.740	564,3	344
TOTAL EQUITY	13.944.629	62,0	13.200.173	744.456	5,6	3.712

Table 11.**Separate Cash Flow Statement - Individual ISA**

For the periods ended June 30, 2021 and 2020

Figures in COP millions, unaudited.

	6M21	6M20	Var. COP	Var. %	6M21 USD
Collections from the operation	168.597	144.245	24.352	16,9	45
Collections from contracts held for intermediation or to trade	489.848	465.347	24.501	5,3	130
Payments from the operation	66.048	73.128	(7.080)	(9,7)	18
Payments on behalf of employees	44.707	38.555	6.152	16,0	12
Income tax paid	97.222	84.937	12.285	14,5	26
Net cash flows from operating activities	450.468	412.972	37.496	9,1	119
Net cash flows used in investment activities	700.074	57.742	642.332	1.112,4	187
Net proceeds from loans	-	300.000	(300.000)	(100,0)	-
Reimbursement of loans	64.743	84.828	(20.085)	(23,7)	17
Interest paid	128.673	171.955	(43.282)	(25,2)	34
Net cash flows used in financing activities	(193.416)	43.217	(236.633)	(547,5)	(51)
Cash and cash equivalents, excluding exchange effect	957.126	513.931	443.195	86,2	255
Effects of exchange rate variation on cash	(6.670)	4.885	(11.555)	(236,5)	(1)
Net cash and cash equivalents, net	950.456	518.816	431.640	83,2	254
Cash and cash equivalents at the beginning of the period	542.198	541.371	827	0,2	144
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1.492.654	1.060.187	432.467	40,8	398

Glossary of Terms

- ANEEL: National Energy Agency of Brazil
- AOM: Operation, administration, and maintenance expenses
- CDI: Certificado de Depósito Interbancário (Interbank Certificate of Deposit)
- CVM: Comissão de Valores Mobiliários (Securities and Exchange Commission of Brazil)
- IGPM: General Market Price Index in Brazil
- IPCA: Broad Consumer Price Index in Brazil
- PPI: Producer Price Index in Colombia
- Ke: cost of own capital
- Equity method in the Consolidated Income Statement: includes income from companies where ISA has joint control and significant influence.
- Equity method in the Consolidated Income Statement: includes income from companies where ISA has joint control and significant influence.
- PBTE: Piratininga - Bandeirantes Transmissora de Energia S.A.
- RBNI: Red Básica de Nuevas Inversiones (Basic Network of New Investments)
- RBSE: Red Básica del Sistema Existente (Basic Network of the Existing System)
- RTP: Periodic Tariff Review Resolution.
- TRM: Tasa representativa del mercado (Representative Market Rate) in Colombia. USD-Colombian Peso Equivalence.

This report may contain forward-looking statements regarding the performance of ISA and should be taken in good faith by institutions; said forward-looking statements reflect management's views and are based on currently-available information, which assumes risks and uncertainties, including economic conditions and those from other markets, as well as the exchange rate variations and other financial variables with respect to which ISA S.A. E.S.P. may not be held responsible, directly or indirectly, for financial operations that the public may conduct in reliance of the information herein presented.

The consolidation process means the inclusion of 100% of the companies where ISA has control through the global integration method, pursuant to the application of the Colombian Financial Reporting and Accounting Standards -NCIF- enacted by Law 1314 of 2009, regulated by Decree 2420 of 2015, modified by Decree 2420 of 2015, which was compiled in Decree 2270 of 2019, and all the legal provisions in force adopted by the Colombia's National General Accounting Office.

These accounting and financial reporting standards correspond to the International Financial Reporting Standards -IFRS-, officially translated, and authorized by the International Accounting Standards Board -IASB-.

The figures expressed in millions of dollars in this report are only for informative purposes and do not reflect the accounting conversion standards usually used. As of June 30, 2021, the exchange rate used for USD figures in the statement of financial position was USD 1.00 = COP 3.756,7 (closing rate) and the rate used for the income statement was USD 1.00 = COP 3.626,1 (cumulative average rate) (source: Banco de la República).